

USSGL Update 2004 – Session I

Reimbursables

Rescissions

Receipts

US Treasury - Financial Management Service
14th Annual Government Financial Management Conference
August 10-12, 2004

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Reimbursable Agreements and the Economy Act

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Definitions

- Reimbursable agreements are agreements entered into with other government entities or nongovernmental entities in which goods or services are provided and offsetting collections are received.
- Reimbursable Obligations are obligations financed by offsetting collections credited to an expenditure account in payment for goods and services provided by that account.

Types of Laws That Allow Reimbursable Activity:

- Laws that establish revolving funds
- The Economy Act
- Provisions in your appropriations act, your authorizing legislation, or other substantive laws that allow you to use the amounts that you collect

Economy Act

- Reimbursable agreements between government entities is authorized by the Economy Act.
- 31 U.S.C. 1535.
- In most cases, the Economy Act is the legislation that OMB requires agencies to adhere to in entering into and executing reimbursable agreements between federal entities.

Economy Act Allows Agencies to Enter Into Agreements Provided That:

- The ordering agency has enough money to pay for the order.
- The head of the ordering agency or unit decides the order is in the best interest of the U.S. Government.
- The agency or unit to fill the order is able to provide or get by contract the ordered goods or services.
- The head of the ordering agency decides that the ordered goods and services cannot be provided by contract as conveniently or cheaply by a commercial enterprise.

Availability of Funds

- Another provision of the Economy Act requires performing accounts to write reimbursable orders down to valid obligations against those orders when the ordering account expires.
- Performing activities must send any cash advances not covered by obligations back to the ordering account.

Availability of Funds (con't)

- This requirement has caused some uncertainty in the past on how to account for reimbursables when the ordering account and performing account have different periods of availability.
- OMB has published a new methodology in section 20 of the 2004 OMB circular no. A-11.

Points of Contact

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Reductions

What's changing now?

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Reductions

OMB Circular A-11 (June 2003) restated budgetary requirements for reductions.

- Reduction terminology encompasses
 - Rescissions
 - Across-the-board cuts
 - Sequesters
- All reductions are classified as, either
 - Temporary, or
 - Permanent

Temporary Reductions Title and Definition Changes Effective FY 2005

- **USSGL 4382** Temporary Reduction – New Budget Authority
- **USSGL 4383** Temporary Reduction – Prior-Year Balances
- **USSGL 4386** Delete

Permanent Reductions Title and Definition Changes Effective FY 2005

- **USSGL 4392** Permanent Reduction – New Budget Authority
- **USSGL 4393** Permanent Reduction – Prior-Year Balances
- **USSGL 4396** Delete

Other Accounts used with Reductions

Title and Definition Changes

Effective FY 2005

- **USSGL 4123** Amounts Appropriated From Specific Treasury-Managed Trust Fund TAFS Reclassified - Receivable - Temporary Reduction
- **USSGL 4124** Amounts Appropriated From Specific Treasury-Managed Trust Fund TAFS Reclassified - Payable - Rescinded Temporary Reduction
- **USSGL 4168** Allocations of Realized Authority Reclassified – Authority To Be Transferred From Invested Balances – Temporary Reduction
- **USSGL 4384** Temporary Reduction Returned by Appropriation

Other – Not Reduction Accounts

Title and Definition Changes

Effective FY 2005

- **USSGL 4133** Decreases to Indefinite
Contract Authority
- **USSGL 4143** Decreases to Indefinite
Borrowing Authority

Reductions

Crosswalks to the SF-133

USSGL	FY 2003	FY 2004	FY 2005
4392	6B	6B	6B
4393	6B	6B	6B
4396	6E	6B	Delete
4382	6B	5	5
4383	6B	5	5
4386	6E	5	Delete

USSGL Receipts Reconciliation Project

Shedding light on the “Black Hole”

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Objective

- To determine the impact of cash collections classified as unavailable receipts, deposit funds and clearing accounts on the FR net position “plug”

What we suspect...

- Some receipts reported in the FR as part of Cash are not reported in the FR liabilities or revenue/net position

Why we suspect this...

- The FR Plug indicates more cash was collected than accounted for.....
- Agencies continue to express confusion about their role in accounting and reporting

The problem...

- If an agency does not report in their Financial Statements every receipt TAS for which they are accountable, then the FR may report cash without affecting liabilities or revenue/net position.
- The FR net position number derived from applying the basic accounting equation of $\text{Assets} = \text{Liabilities} + \text{Equity}$ will NOT balance with the net position number derived from either FACTS I or the GFRS Closing Package.

The “Plug”

Agency FACTS I data by “Fund Group”

1010 FBWT	\$xxx
1310 A/R F/N	\$xxx
2110 A/P F/N	\$xxx
31xx Unex/Approp	\$xxx
3310 (Beg Bal)	\$xxx
<hr/>	
5xxx Rev F/N	\$xxx
6xxx Exp F/N	\$xxx

Governmentwide FR
Balance Sheet:

Cash (Real cash)

+ N Assets (FACTS I ATB)

- N Liabs (FACTS I ATB)

¹ Equity

How could this happen?

- Guidance is unclear
- “If I can’t spend it I don’t have to report it.”

WRONG!!!

- You reconcile FMS 6655s for FBWT activity = you report it on Financial Statements!!

How to prove theory....

- Compare receipts/collections as recorded by individual TAS in STAR (FMS 6655) to the fund balance reported in FACTS I, using the FACTS I Fund Groups for:
 - General fund miscellaneous receipt accounts
 - Unavailable Special and Trust Fund receipt accounts
 - Deposit fund accounts
 - Clearing accounts

Our plan of action....

- Request FY 2003 yearend receipt data by TAS from STAR (FMS 6655)
- Sort TAS by FACTS I Fund Groups
- Obtain Agency FACTS I ATBs for Fund Groups

Our plan of action....

- Prepare spreadsheets for each agency comparing STAR data to FACTS I
- Request from agencies detailed explanation of differences

What agencies will do....

- Complete a Fund Balance Reconciliation – STAR to FACTS I
- Explain differences at TAS level

Tentative Results

- Agency reported receipts, BUT only in footnote not on face of Financial Statements and not in FACTS I ATB. ---- Part of the plug!
- Agency did not report receipts. ---- Part of the plug!

Tentative Results

- Agency reported revenue/liability for receipts but pre-closed FBWT --- Not part of the Plug - Great Job!
- Agency did not report receipts because “The Dept of the Treasury is responsible” - -- Part of the Plug!

Then what?

- Compile report of

Missing TAS receipt symbols

Missing liabilities, revenues/net position
- Determine impact on FR

Finally.....

- Revise reporting criteria
- Coordinate with FASAB and OMB to clarify their guidance

How you can help.....

- Help determine all guidance needing revision.
- Educate agency personnel.

Q & A/Contact Information

- QUESTIONS?????
- USSGL Contacts
 - www.fms.treas.gov/ussgl